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**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, DC**

**Docket: OST-01-8726 - /**

**Served: January 22, 2001**

**NOTICE**

**U.S.-Israel Third-Country Code-Share Opportunities (2001)**

By this notice we invite all U.S. certificated air carriers interested in using third-country code-share opportunities in the U.S.-Israel market to file applications as specified below in the captioned docket.

Under a Memorandum of Consultations (MOC) signed January 10, 2001, representatives of the United States and Israel reached an *ad referendum* agreement on the text of a Protocol amending the 1950 U.S.-Israel Air Transport Agreement, as amended. Under the terms of the Protocol, the U.S. may authorize, on a phased-in basis, up to four code-share arrangements between U.S. and third-country airlines for service between the U.S. and Israel. Authorized U.S.-third-country code-share arrangements may provide services in the U.S.-Israel market in phases as follows: Phase 1 – Up to two arrangements until March 31, 2002; Phase 2 – Up to three arrangements from April 1, 2002, through March 31, 2003; and Phase 3 – Up to four arrangements from April 1, 2003, through March 31, 2004.<sup>1</sup> The MOC also provides that the code-share opportunity under Phase 2 may be exercised in advance of April 1, 2002, by mutual agreement of both parties. The limitations on the number of third-country code-share arrangements will not apply to any code-share arrangement in which airlines of the United States, Israel, and a third country are all participants.<sup>2</sup>

As the opportunities under Phase 1 are available immediately, and given the provisions of the MOC with respect to the Phase 2 opportunity, we will solicit applications here for both the Phase 1 and Phase 2 code-share opportunities.<sup>3</sup> The Protocol provides that, until March 31, 2004, designated U.S. airlines may serve Tel Aviv, plus seven additional points to be selected by the United States on a code-share basis only, without local traffic rights between third-country points and points in Israel when the U.S. airline is not the operating carrier.<sup>4</sup>

We request by this notice that all U.S. air carriers interested in making use of the Phase 1 and Phase 2 third-country code-share opportunities described above file applications with the Department in the newly established docket no later than January 29, 2001. Answers to such applications should be filed February 5, 2001. Replies to answers should be filed February 8, 2001.

Carriers without the requisite operating authority should file exemption/designation applications and requests for statements of authorization to serve the affected markets in conjunction with the foreign code-share carrier(s) involved. Carriers with the requisite underlying authority and statements of authorization need only file requests for the available code-share opportunity. All applications should include, at a minimum, the following information: (a) the proposed startup date; (b) the markets to be served, including the number

<sup>1</sup>The Protocol provides that the frequency of such code-share operations shall be limited only by the number of frequencies that the operating airline is entitled to use on the relevant segments, consistent with relevant bilateral agreements.

<sup>2</sup>A code-share arrangement between a U.S. carrier and a third-country carrier that entails code-share services on more than one route would be counted as one arrangement. A code-share arrangement between two U.S. carriers and a third-country carrier would be counted as two arrangements.

<sup>3</sup>We will solicit applications for the Phase 3 opportunities at a later date.

<sup>4</sup>Selection of points to be served on a code-share basis only may be made or changed with 30 days notice to the Government of Israel.

and identity of U.S. cities that would receive nonstop-to-nonstop connections in the U.S.-Israel market, and the total elapsed travel time (including layover time) for each flight between each initial point of origin and each final destination in both directions (*i.e.* provide a total elapsed round-trip travel time for each city pair and break-out subtotals for the elapsed times on the U.S. to Israel flights and the Israel to U.S. flights); (c) the number of frequencies to be provided between the U.S. and Israel and the duration of service if not provided on a year-round basis for each leg of the flights; (d) type of aircraft, including the number of seats, to be used between the U.S. and the intermediate point(s) and between the intermediate point(s) and Israel; (e) the foreign code-share carrier involved, the country and the specific intermediate point(s) over which the services will be provided, and which carrier would be operating each leg of the flights; (f) existing authority held to conduct the operations, if applicable; and (g) assurance that the U.S. air carrier applicant has provided or will provide the Department with the Compliance Statement referred to in Section IV of the DOT *Code-Share Safety Program Guidelines* (issued February 29, 2000) concerning a safety audit of the foreign air carrier(s) involved. In addition, carriers must provide as a part of their applications, copies of the relevant cooperative service arrangements, if not already on file with the Department. Applicants are free to submit any additional information that they believe will help us in making our decision.

Except for the procedural dates, exemption applications should conform to Part 302, Subpart C of our regulations (14 CFR Part 302). All applications (for operating authority and/or designation) should be filed with the Department of Transportation in the established docket, Dockets and Media Management, Room PL-401, 400 Seventh Street, SW, Washington, DC 20590.<sup>5</sup>

We intend to allocate the available opportunities at issue based on the applications and responsive pleadings filed in response to this notice. Should comparative selection among applicants be necessary, we intend to make our decision using written, show-cause procedures in accordance with Part 302 of our regulations (14 CFR Part 302).

We will authorize service of documents by facsimile and by electronic mail. Carriers that are interested in such service, however, should state if they want service by email and should provide interested parties with their fax number and/or email address.

We will serve this notice on all U.S. certificated air carriers operating large aircraft.

By:

PAUL L. GRETCH  
Director  
Office of International Aviation

(SEAL)

Dated: January 17, 2001

*An electronic version of this document is available on the World Wide Web at  
[http://dms.dot.gov/reports/reports\\_aviation.asp](http://dms.dot.gov/reports/reports_aviation.asp)*

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<sup>5</sup>The original submission is to be unbound and without tabs on 8 1/2" x 11" white paper using dark ink (not green) to facilitate use of the Department's docket imaging system. In the alternative, filers are encouraged to use the electronic submission capability available through the Dockets/DMS Internet site (<http://dms.dot.gov>) by following the instructions at the web site).